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C E N T R A L I N T E L L I G E N C E A G E N C Y

DOS review(s) completed.

*Memorandum*



THE SITUATION IN  
SOUTH VIETNAM

(Information as of 1000 EDT)

14 Sept 1963

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SUMMARY

The atmosphere in Saigon is one of tension, suspicion, and fear, accompanied by some premonitions of violence.

25X1 [redacted] it is inadvisable and might prove dangerous for the US to make any immediate move against the Diem regime. [redacted]

25X1 [redacted] we do not now have the means for ousting the Diem regime with adequate control over the consequences. [redacted] little room for manipulation of US aid without adverse effect on either the war effort or the delicately balanced economy. Efforts to exert pressures on the Diem regime for reform should be kept below levels where they might be construed by all elements of the opposition as an open invitation to overthrow the regime. At the same time [redacted] the situation could erupt spontaneously before we feel ready to control developments. ]

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25X1 Vietnamese both inside and outside the government [redacted] fear that known friendships or close contacts with Americans may result in arrest.

While the regime has not yet definitely equated disloyalty with close contacts with Americans, there are signs that Nhu may be laying the groundwork for an anti-American campaign if he feels such an issue is necessary. He has long cited "feudalism and colonialism" ahead of Communism in listing South Vietnam's enemies, and

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could identify these tags with his American critics; on 7 September he reportedly told Saigon commanders their troops should fire on any Americans or other foreigners involved in hostile acts.

Publicly, Nhu is emphasizing his confidence that South Vietnam can get along without US aid if it is reduced or suspended.

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Press reports indicate that student disorders have spread to three new towns in South Vietnam.

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I. ASSESSMENTS AND ATTITUDES

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[redacted] has sent a follow-up report bolstering his preliminary conclusions that immediate action by the US in the Vietnamese situation is inadvisable and might prove dangerous.

The fuller report again notes the divergence of opinion among US officials in Saigon, and inclines toward those who believe that the US at present lacks the means of ousting the Diem regime under conditions of sufficient control to guarantee success. Nhu is on the alert and has had time to consolidate his position. [redacted] feels we probably do not know enough about the ultimate loyalties of individual commanders and Vietnamese military units.

On the question of economic sanctions, he cites the views of some US officials in Saigon that there is little room for maneuver without adverse effect on the war effort or the delicately balanced economy. He feels suspension of aid would provoke an unpredictable and probably uncontrollable situation which nevertheless might not generate military coup action against the regime.

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[redacted] recognizes that the US must exert pressures for change, but recommends that until a viable alternative is available to take over from the Diem regime such pressures must be kept below the level which could lead the whole spectrum of potential opposition to conclude that we are inviting a change in regimes.

The report warns that the situation could erupt spontaneously, regardless of the US course of action, and force our hand before we are fully prepared to channel developments in a desirable direction.

2. An undercurrent of fear and suspicion exists in Saigon amid continuing government efforts to stifle dissent and disaffection. At the existing level of tensions, we cannot rule out the possibility

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of violence directed at or involving US personnel. The following reports appear relevant.

a. The US Embassy reports a number of recent instances of apparently deliberate government harassment of Vietnamese employed by US agencies.

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c. [redacted] is concerned that in the event of a coup there will be excesses by the Saigon inhabitants, whom he considers very prone to violence. [redacted]

[redacted] believe a coup is near.

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[redacted]

f. Nhu continues to announce that the duty of the Vietnamese people is to combat the nation's three enemies: feudalism, colonialism, and Communism. His reiteration of this theme, with the three enemies always listed in this order, is probably designed to identify American critics of the regime with at least the first two categories.

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[REDACTED] Press reports from  
Saigon say the government is quietly rounding up  
Vietnamese suspected of disloyalty or close contacts  
with Americans.

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### II. THE REGIME

1. Nhu continues to minimize the consequences of any reduction or withdrawal of US aid. Several sources report he has boasted to various civil and military staff conferences recently that South Vietnam has sufficient financial reserves and stockpiles of goods to go it alone for upwards of a year. (One source quoted him as saying "20 years.")

Nhu told a press conference for local correspondents at the palace on 12 September that the Vietnamese should not be concerned over threats of US aid suspension because the regime for some time had been promoting "a policy of self-sufficiency in ideology and organization as well as technique."

2. President Diem has announced that martial law will terminate at noon on 16 September, with all administrative functions returning to civilian authority. The state of national emergency, proclaimed in 1961, will continue. (Comment: Lifting of martial law is probably intended to show a return to normal conditions, but effective security controls can be maintained by the strong combat police. Another consideration in the decision probably was the military's growing distaste for martial law duties.

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martial law would put military personnel on 50 percent--as opposed to 100 percent--alert, and that some units would return to normal stations, but others would remain in Saigon to maintain security in schools.

National assembly elections, originally to have been held on 31 August, have been rescheduled for 27 September.

The announcement of the lifting of martial law made no mention of a possible relaxation of press censorship. Press reports claim that Saigon authorities censored parts of Pope Paul's message of 26 August to the Vietnamese people, deleting references to recent bloodshed. A Vatican official told the US Ambassador in Rome that the message was designed to counter, as far as was within the Church's power, the

Saigon government's repressive policies. The official indicated, however, that the Vatican feels the war situation in South Vietnam requires a solution which avoids any risk of a government collapse.

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### III. OPPOSITION

1. Press reports indicate that the student demonstrations against the regime are spreading. In the resort center of Dalat, 140 miles northeast of Saigon, 6,000 students were reported to have barricaded themselves in four or five schools. Smaller demonstrations were reported at high schools in Bien Hoa, 30 miles north of Saigon, and Vinh Long in the Mekong Delta. Press informants said hundreds of students were taken to detention camps at all three cities. These are the first reports of student demonstrations from these three towns.

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### IV. MILITARY SITUATION

No significant military developments have been reported in the past 24 hours.

### V. OTHER DEVELOPMENTS

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3. Former Foreign Minister Vu Van Mau and family now are expected to arrive in the US in the last week of September, following a week in Switzerland en route from India.

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